

FINAL BILL REPORT

SHB 2179

C 251 L 10

Synopsis as Enacted

Brief Description: Authorizing cities located in counties having a population of more than one million five hundred thousand to provide and contract for supplemental transportation improvements.

Sponsors: House Committee on Transportation (originally sponsored by Representative Eddy).

House Committee on Transportation
Senate Committee on Transportation

Background:

Cities, Generally.

Cities are granted express and general authority to provide a wide variety of services and facilities, including transportation services. A city has broad authority to provide these services or facilities itself, or it may contract for the provision of these services and facilities.

Transportation Benefit Districts.

A transportation benefit district (TBD or district) is a quasi-municipal corporation and independent taxing authority that may be established by a county or city for the purpose of acquiring, constructing, improving, providing, and funding transportation improvements within the district.

A "transportation improvement" means any project contained in the transportation plan of the state or regional transportation planning organization, and may include investments in city streets, county roads, new or existing highways of statewide significance, principal arterials of regional significance, high capacity transportation, public transportation, and other transportation projects and programs of regional or statewide significance, as well as the operation, preservation, and maintenance of these facilities or programs. The proposed improvement must also be consistent with any state, regional, and local transportation plan, and must be necessitated by existing or reasonably foreseeable congestion.

When establishing the district's area, the county or city proposing to create the TBD may only include other jurisdictions through interlocal agreements. The TBD may include areas within more than one county, city, port district, county transportation authority, or public

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transportation benefit area. A TBD may be comprised of less than the entire area within each participating jurisdiction.

A TBD is governed by the legislative authority of the jurisdiction proposing to create it, or by a governance structure prescribed in an interlocal agreement among multiple jurisdictions. If a TBD includes more than one jurisdiction, the governing body must have at least five members, including at least one elected official from each of the participating jurisdictions. Port districts and transit districts may participate in the establishment of a TBD but may not initiate district formation.

Any transportation improvement provided by a TBD is owned by the jurisdiction where the improvement is located or by the state if the improvement is a state highway. A TBD dissolves and ceases to exist 30 days after the financing or debt service on the improvement project is completed and paid. If there is no debt service on the project, the district must dissolve within 30 days from the date construction of the improvement is completed.

A TBD has independent taxing authority to implement the following revenue measures, all of which are subject to voter approval:

- a local sales and use tax of up to 0.2 percent;
- a local annual vehicle fee of up to \$100 on vehicle license renewals, \$20 of which may be imposed without voter approval;
- excess property taxes, for a period of up to one year; and
- tolls, subject to legislative authorization and approval by the Transportation Commission if imposed on state routes.

A TBD may impose the following revenue measures without voter approval:

- transportation impact fees on commercial and industrial development; and
- except for passenger-only ferry improvements, up to \$20 in local annual vehicle fees.

Unless approved by the voters, a sales tax may not be imposed for a period exceeding 10 years. In no event may a sales tax be imposed for more than 20 years. A TBD may issue general obligation and revenue bonds. In addition, a TBD may form local improvement districts (LID) to provide transportation improvements, and may impose special assessments on all property specially benefitted by the improvements. The district may form a LID only if a petition process is used, which requires that property owners representing a majority of the area within the proposed LID initiate a petition process.

Summary:

Certain cities are specifically authorized to provide or contract for supplemental transportation improvements to meet the mobility needs of the city, and may contract for such improvements with private and nonprofit entities and may also form public-private partnerships. The authorized cities are those located in counties having a population of more than 1.5 million.

A supplemental transportation improvement (or supplemental transportation service) is defined as any project, work, or undertaking to provide public transportation service in addition to any existing or planned public transportation service provided by public

transportation agencies and systems serving the city. For cities that plan under the Growth Management Act (GMA), the proposed supplemental improvements must be consistent with the city's comprehensive plan adopted under the GMA.

Prior to taking any action to provide or contract for supplemental transportation service, the legislative authority of the city must conduct a public hearing. Following the hearing, if the legislative authority of the city finds that the proposed supplemental transportation service is in the public interest, it may adopt an ordinance providing for the supplemental service. The legislative authority of the city may then either provide the supplemental transportation service itself or it may contract with other entities to provide the service. In both instances, certain public transportation systems serving the city or border jurisdictions must coordinate their services with the supplemental services provided or contracted for by the legislative authority of the city. The public transportation systems that must coordinate their services with the supplemental services include metropolitan municipal corporations, public transportation benefit areas, and regional transit authorities.

If a city that is authorized under this act to provide supplemental transportation service is also a member of a TBD, the city may petition the TBD to adopt and incorporate supplemental transportation service with the TBD's planned or authorized transportation service. The cities that are authorized to petition a TBD are those that are located in counties having a population of more than 1.5 million. Two petition processes are established: (1) one process is created for proposed supplemental services funded entirely by the petitioning city, including ongoing operating and maintenance costs; and (2) a separate process is created for proposed supplemental services for which the petitioning city seeks full or partial funding from the TBD.

If the city proposes to fully fund the supplemental transportation service, the TBD must hold a public hearing and, if the petition is approved by a majority of the members of the TBD, the TBD must adopt an ordinance incorporating the supplemental transportation service. If the city's petition seeks partial or full funding for those supplemental transportation improvements from the TBD, the TBD must first hold a public hearing and then submit a proposition to the voters for approval. The proposition to the voters must specify the supplemental services to be provided and must estimate the capital, maintenance, and operating costs to be funded by the TBD. If a majority of the voters within the boundaries of the TBD approve the supplemental transportation service, the TBD must adopt an ordinance incorporating the supplemental service into any existing services.

Under both petition processes, if the TBD adopts an ordinance providing for the requested supplemental transportation service, the TBD must:

- enter into agreements with transportation service providers to coordinate existing services with the supplemental transportation service; and
- unless otherwise agreed to by the petitioning city or a majority of the TBD members, maintain existing transportation service levels in locations where supplemental improvements are provided.

Votes on Final Passage:

House 92 4

Senate	43	5	(Senate amended)
House	97	0	(House concurred)

Effective: June 10, 2010